UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

SLS-5

May 20, 1937

THE SHEEP AND LAMB SITUATION

Summary

The early spring lamb crop this year is somewhat smaller than that of last year and marketings of spring lambs have been delayed somewhat because of unfavorable weather and feed conditions, the Bureau of Agricultural Economics reports. With relatively small marketings of new crop lambs in prospect until after June, the seasonal decline in prices of such lambs probably will occur later than usual this summer.

Sheep and lambs in the Western States generally are in good condition and prospects are rather favorable for the late lamb crop. It is possible that the delay in marketings of early lambs will result in a larger-than-usual increase in marketings of lambs in the late lamb marketing season after July. In this event the seasonal decline in lamb prices, while occurring later than usual, may be greater than average.

Marketings of early lambs from southern California, Arizona and Texas in April and early May were fairly large, but small shipments came from other areas. The movement of shorn yearlings and wethers from Texas in April was nearly the largest on record. It is likely that marketings of Texas yearlings, wethers and spring lambs will continue large through June, probably resulting in total slaughter supplies of sheep and lambs larger than a year earlier.

After declining in late April and early May, prices of spring lambs strengthened about mid-May. In both April and early May, prices of new crop lambs were from $1 to $1.50 higher than those of a year earlier. Prices of fed lambs in April continued near the high level reached in March, but the market movement of such lambs has been about completed.

REVIEW OF RECENT DEVELOPMENTS

Background - A sharp rise in lamb prices which started in late December continued through the first half of January, when the top price of lambs at Chicago reached $11. Prices of slaughter lambs and ewes again advanced sharply about mid-March, when top prices at Chicago reached $13.25 for fed lambs and $8 for slaughter ewes, the highest prices in several years.

Lamb prices higher than for several years

After declining during late March and early April, prices of fed lambs recovered sharply, and in the third week of April were slightly higher than the peak reached in mid-March. The top price of fed wooled lambs at Chicago, of $13.35 per 100 pounds in late April, was the highest for the month since 1929. Prices of spring lambs also advanced at this time to a level considerably higher than in April of other recent years.

Prices of both fed lambs and spring lambs declined in late April but recovered about the middle of May. The top price of spring lambs at Chicago in the week ended May 15 was $13.50. Ordinarily prices of fed wooled lambs are somewhat lower than those of spring lambs, but because of the relatively high prices of wooled pelts there has been little difference in prices of the two kinds of lambs this spring. Prices of shorn lambs in April were about the same as those of a year earlier but were from $1.50 to $2 below prices of comparable grades of wooled lambs in April and early May.

Average price per 100 pounds of good and choice spring lambs, at Kansas City, by weeks, April - May 1936-37

Date	1936			1937		
	Good and choice average	Choice	Good	Good and choice average	Choice	Good
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Apr. 3	10.43	10.62	10.24	12.26	12.61	11.92
10	10.55	10.78	10.32	12.00	12.33	11.68
17	10.98	11.24	10.72	11.94	12.19	11.70
24	10.58	10.81	10.34	12.50	12.75	12.25
May 1	11.52	11.80	11.24	11.94	12.24	11.65
8	10.46	10.78	10.15	11.50	11.88	11.12
15	10.92	11.19	10.65	12.04	12.37	11.72

Slaughter supplies in April larger than year earlier

Slaughter of sheep and lambs under Federal inspection in April, totaling 1,334,000 head, was 2 percent larger than in March and 5 percent larger than in April 1936. The market movement of fed lambs has been about completed, and in recent weeks market supplies have included increasing numbers of spring lambs and grass-fat yearlings from Texas. The increase in marketings from Texas is indicated by the fact that receipts of sheep and lambs at Fort Worth in April were the largest for the month on record. Approximately 70 percent of these were shorn yearlings and about 25 percent were spring lambs.

Although marketings of spring lambs have increased seasonally in recent weeks, supplies have been considerably smaller than those of a year earlier. Total eastern shipments of California spring lambs by May 8 were only about half as large as the average movement for this period of the year. The quality of the California lambs was only fair.

THE EARLY LAMB SITUATION, MAY 1

The progress of lambs in the important early lambing areas has been uneven as a result of the varied conditions of weather and feed. California feed conditions ranged from very good in the South to poor in the Central and northern areas. In the Pacific Northwest, low temperatures held back growth of pastures and ranges despite favorable moisture conditions. Feed supplies in the Southeastern States were generally ample and the weather was favorable. In Texas, feed and weather conditions continued good.

Marketings of early lambs from southern California, Arizona and Texas in April were fairly large, but shipments from other areas were small. The April movement of shorn yearlings and wethers from Texas was very large. The eastern movement of California lambs up to May 1 was only about two-thirds that of a year earlier and much the smallest since 1930.

California spring lamb supplies small

With favorable feed conditions in April, lambs developed rapidly in southern California and in the San Joaquin Valley. In the rest of the State weather conditions during April were not sufficiently favorable to offset the effects of adverse weather earlier in the season, and pastures continued poor. Early lambs in these areas made fairly good gains during April but at the end of that month their condition was below average. Indications about May 1 were that about 75 percent of the lambs might reach weights suitable for local slaughter, but that the proportion reaching condition for eastern shipments would be small. Up to May 1, eastern shipments of California lambs totaled only 90,000 head, which is only about one-half as large as the average movement for the same period in the last 6 years.

Marketings of lambs from Arizona in April were fairly large and shipments of early lambs from this State have been about completed.

Southeastern States

In Tennessee, Kentucky and Virginia, pastures improved during April after a late start. Green feed was generally ample and early lambs continued to make excellent growth. Because of the much smaller-than-usual proportion of lambs born in January and February, marketings before July 1 will be smaller than average, but these lambs will be of good quality.

In Missouri, pastures improved materially during April but were below average on May 1. The percentage of ewes that had lambed by May 1 in that State was small, but the proportion of lambs saved was large.

Northwestern States

Low temperatures during April held back the growth of range feed in the Northwestern States, although moisture conditions were favorable. The development of early lambs continued rather unfavorable and losses were above average in April. The market movement of early lambs from this area also will be delayed somewhat.

Large marketings from Texas expected

Spring lambs in Texas made good growth during April and marketings were fairly large during the month. Lambing is about over and the crop this year probably will exceed the record crop of last year. Marketings of shorn yearlings and wethers were very large in April and probably will continue large through June. Total marketings of Texas lambs and yearlings from March through June may equal or exceed the record movement for this period in 1931.

OUTLOOK

Background - The following conclusions were stated in the April issue of this report with respect to the outlook for lambs:

(1) Prices of spring lambs are expected to continue well above the levels of a year earlier during May and June.

(2) The seasonal decline in new crop lamb prices which usually begins in early June is likely to start somewhat later than usual this year.

(3) Marketings of new crop lambs from most areas will be smaller than a year earlier until the end of June.

(4) Reduced marketings of spring lambs in May and June will be accompanied by unusually large marketings of Texas yearlings and wethers.

There has been little change during the last month in the outlook for supplies and prices of lambs for the early summer. As indicated previously, unfavorable weather and feed conditions have delayed the development of early spring lambs, and marketings of such lambs will be relatively small through June. Reduced marketings of spring lambs in this period, however, are being accompanied by large marketings of grass-fat yearlings and wethers from Texas.

Although the early lamb crop this year was somewhat smaller than that of a year earlier, sheep and lambs generally are in good condition in the Western States. Prospects for the late lamb crop are generally favorable in New Mexico, Colorado and Arizona. In other late lambing areas crop prospects are rather favorable except where winter feed was short and in local areas that had heavy snow. It is, of course, too early for an indication of the size of the total United States lamb crop in 1937.

In view of the late development and delayed marketings of spring lambs, it seems quite possible that marketings of early lambs may be large in late July and August when late lambs begin to move to market in fairly large volume. The seasonal increase in slaughter supplies of lambs after July this year therefore may be greater than usual, with the proportion of the lamb crop marketed after July 1 much above average.

Ordinarily prices of new crop lambs begin to decline in early June, but in view of the small marketings expected before July it is probable that the seasonal decline in prices of lambs will occur later than usual this summer.

After declining in June and July, lamb prices usually do not change greatly from August to November. This year, with a larger-than-usual number of early lambs being marketed during the late lamb marketing season, the seasonal decline in prices of lambs may continue into early fall. Changes in prices after July, however, will depend partly on the demand which develops for feeder lambs.

THE WOOL PRICE SITUATION 1/

The domestic wool situation has not changed materially in the past month. A large part of the new domestic clip has been sold at prices somewhat higher than those of a year earlier and higher than at any time since 1929. Demand for wool in both domestic and foreign markets has been strong this year and world supplies are below average. Supplies later in 1937, however, will be governed by the new clip in the Southern Hemisphere which will become available in the late summer and early fall. Little change in domestic wool prices is probable during the next few months.

Trading in spot wools in the domestic market was very light in April and prices were largely nominal and unchanged. Prices paid for new clip wools in producing areas the latter part of April showed little change compared with late March quotations. Wool prices in foreign markets were firm to slightly higher in April, but weakened slightly in early May.

Consumption of wool by United States mills in the first quarter of 1937 was greater than in the first quarter of any year since 1923. Although there is as yet no indication of a reduction in mill consumption in this country, it is possible that the high activity in recent months may have been at the expense of activity later in the year.

Stocks of apparel wool held by United States dealers and manufacturers on March 27, totaling about 120,000,000 pounds scoured basis, were 14 percent larger than a year earlier. The reduction in supplies in Southern Hemisphere exporting countries, however, at the beginning of April, was much larger than the increase in stocks in this country. The 1936-37 selling season was practically over in the Southern Hemisphere at the end of April.

1/ Excerpt from The Demand and Price Situation, a monthly report of the Bureau of Agricultural Economics.

Price per 100 pounds of sheep and lambs, by months, February-April, 1935-37

Classification	1935 Feb.	1935 Mar.	1935 Apr.	1936 Feb.	1936 Mar.	1936 Apr.	1937 Feb.	1937 Mar.	1937 Apr.
	Dolls.	Dolls.	Dolls.	Dolls.	Dolls.	Dolls.	Dolls.	Dolls.	Dolls.
Lambs, Chicago:									
Good and choice	8.54	8.17	8.11	10.00	9.90	10.98	10.33	11.88	12.22
Common & medium	7.46	7.20	7.34	9.06	9.04	10.01	8.75	10.59	11.11
Ewes, Chicago:									
Good and choice	4.64	4.87	4.56	4.61	5.36	5.70	5.52	6.62	5.67
Common & medium	3.70	3.82	3.52	3.75	4.36	4.63	4.26	5.08	4.17
Feeding lambs, Omaha:									
Good and choice	6.85	6.32	6.07	9.26	8.87	9.05	8.81	10.08	10.20
Average price paid by packers:									
Sheep and lambs	8.28	7.96	7.62	8.86	9.39	9.78	9.88	10.99	
Average price received by farmers:									
Sheep	3.78	3.83	3.83	4.29	4.36	4.48	4.45	4.81	4.98
Lambs	6.65	6.67	6.58	8.31	8.10	8.46	8.12	8.83	9.19
Lambs, New York: Wholesale carcass 1/ :									
Choice	17.69	16.95	16.56	17.06	18.19	20.67	16.78	20.28	21.05
Good	16.61	15.90	15.70	16.29	17.65	20.06	15.98	19.35	20.05
Medium	15.61	14.90	14.89	15.42	16.88	19.08	15.12	18.34	18.85
Retail composite price -									
Good	24.11	24.04	23.59	24.37	23.98	25.99	22.62	24.75	27.07
Pulled wool, Boston 2/:									
Choice AA	70.8	68.8	67.5	98.9	97.0	93.2	120.0	113.5	113.8
Choice White B	56.2	57.0	58.0	82.0	80.2	78.1	103.5	96.0	98.0
Sheep pelts, packers' shearlings No. 1, each 3/	0.69	0.72	0.69	1.14	1.08	1.00	1.50	1.51	1.55

1/ 38 pounds down.

2/ Cents per pound, scoured basis.

3/ Bureau of Labor Statistics.

Supplies of sheep and lambs, year 1936 and April 1937, with comparisons

Item	Unit	Year: Average 1924-33	Year: 1935	Year: 1936	Month: Apr. average 1924-33	Month: Apr. 1936	Month: Mar. 1937	Month: Apr. 1937
Inspected slaughter 1/: Sheep and lambs	thousands	14,737	17,644	17,216	1,165	1,267	1,312	1,334
Receipts at seven markets 2/..........	"	3/15,241	12,312	11,892	3/1,300	892	855	888
		Year: Average 1924-33	**Year: 1935**	**Year: 1936**	**Month: Mar. average 1924-33**	**Month: Mar. 1936**	**Month: Feb. 1937**	**Month: Mar. 1937**
Inspected slaughter:								
Lambs and yearlings- Number	thousands	13,678	16,400	15,647	1,091	1,288	1,234	1,240
Percentage of total sheep and lambs	percent	92.8	93.0	90.9	94.1	93.8	93.8	94.5
Sheep - Number	thousands	1,059	1,244	1,569	68	85	81	72
Percentage of total sheep and lambs	percent	7.2	7.0	9.1	5.9	6.2	6.2	5.5
Average live weight ..	pound	81	84	85	88	92	90	90
Average dressed weight	"	39	40	40	41	42	41	41
Total dressed weight	mil. lb.	569	701	680	47	58	54	54

1/ Bureau of Animal Industry.

2/ Chicago, Kansas City, Omaha, Denver, St. Joseph, Sioux City, and St. Paul.

3/ Average 1929-33.

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